

# House Amendment 1002

PAG LIN

1 1 Amend House File 1 as follows:  
1 2 #1. Page 1, by inserting before line 1 the  
1 3 following:  
1 4 <DIVISION I  
1 5 MINIMUM HOURLY WAGE REQUIREMENTS>  
1 6 #2. Page 1, by inserting after line 35 the  
1 7 following:  
1 8 <DIVISION II  
1 9 ASSOCIATION GROUP HEALTH CARE PLANS  
1 10 Sec. \_\_\_\_\_. Section 509.1, Code 2007, is amended by  
1 11 adding the following new subsection:  
1 12 NEW SUBSECTION. 7A. A policy of group health  
1 13 insurance coverage, as defined in section 513B.2,  
1 14 issued by a small employer carrier, as defined in  
1 15 section 513B.2, to a bona fide association, subject to  
1 16 the following requirements:  
1 17 a. The policy provides group health insurance  
1 18 coverage to eligible employees of members of a bona  
1 19 fide association that are small employers as defined  
1 20 in section 513B.2, and to the spouses and dependents  
1 21 of such employees.  
1 22 b. The policy is issued to a bona fide  
1 23 association. For the purposes of this subsection, a  
1 24 bona fide association is an association which meets  
1 25 all of the following requirements:  
1 26 (1) The association is a trade, industry, or  
1 27 professional association which is organized in good  
1 28 faith as a nonprofit corporation under chapter 504 for  
1 29 purposes other than obtaining insurance and has been  
1 30 in existence and actively maintained for at least five  
1 31 continuous years at the time the policy is issued.  
1 32 (2) The association does not condition membership  
1 33 in the association on the health status of employees  
1 34 of its members or the health status of the spouses and  
1 35 dependents of such employees.  
1 36 (3) Group health insurance coverage offered by the  
1 37 association is available to all eligible employees of  
1 38 its members that are small employers as defined in  
1 39 section 513B.2 who choose to participate in the health  
1 40 insurance coverage offered, and to the spouses and  
1 41 dependents of such employees, regardless of the health  
1 42 status of such employees or their spouses and  
1 43 dependents.  
1 44 (4) Group health insurance coverage offered by the  
1 45 association is available only to persons who are  
1 46 eligible employees of a small employer as defined in  
1 47 section 513B.2 that is a member of the association, or  
1 48 to the spouses or dependents of such employees.  
1 49 Sec. \_\_\_\_\_. Section 509.1, subsection 8, unnumbered  
1 50 paragraph 1, Code 2007, is amended to read as follows:  
2 1 A policy issued to a resident of this state under a  
2 2 group life, accident, or health insurance policy  
2 3 issued to a group other than one described in  
2 4 subsections 1 through 7 7A, subject to the following  
2 5 requirements:  
2 6 Sec. \_\_\_\_\_. Section 513B.2, subsection 6, paragraph  
2 7 a, subparagraph (3), Code 2007, is amended by striking  
2 8 the subparagraph and inserting in lieu thereof the  
2 9 following:  
2 10 (3) The coverages are provided by a policy of  
2 11 group health insurance coverage through a bona fide  
2 12 association as provided in section 509.1, subsection  
2 13 7A, which meets the requirements for a class of  
2 14 business under section 513B.4. A small employer  
2 15 carrier may condition coverages under such a policy of  
2 16 group health insurance coverage on any of the  
2 17 following requirements:  
2 18 (a) Minimum levels of participation by employees  
2 19 of each member of a bona fide association that offers  
2 20 the coverage to its employees.  
2 21 (b) Minimum levels of contribution by each member  
2 22 of a bona fide association that offers the coverage to  
2 23 its employees.  
2 24 (c) A specified policy term, subject to annual

2 25 premium rate adjustments as permitted by section  
2 26 513B.4.  
2 27 Sec. \_\_\_\_\_. Section 513B.2, subsection 6, paragraph  
2 28 a, Code 2007, is amended by adding the following new  
2 29 subparagraph:  
2 30 NEW SUBPARAGRAPH. (4) The coverages are provided  
2 31 by a policy of group health insurance coverage through  
2 32 two or more bona fide associations as provided in  
2 33 section 509.1, subsection 7A, which a small employer  
2 34 carrier has aggregated as a distinct grouping that  
2 35 meets the requirements for a class of business under  
2 36 section 513B.4. After a distinct grouping of bona  
2 37 fide associations is established as a class of  
2 38 business, the small group carrier shall not remove a  
2 39 bona fide association from the class based on the  
2 40 claims experience of that association. A small  
2 41 employer carrier may condition coverages under such a  
2 42 policy of group health insurance coverage on any of  
2 43 the following requirements:  
2 44 (a) Minimum levels of participation by employees  
2 45 of each member of a bona fide association in the class  
2 46 that offers the coverage to its employees.  
2 47 (b) Minimum levels of contribution by each member  
2 48 of a bona fide association in the class that offers  
2 49 the coverage to its employees.  
2 50 (c) A specified policy term, subject to annual  
3 1 premium rate adjustments as permitted by section  
3 2 513B.4.  
3 3 Sec. \_\_\_\_\_. Section 513B.2, subsection 6, paragraph  
3 4 b, Code 2007, is amended to read as follows:  
3 5 b. A small employer carrier may establish ~~no more~~  
3 6 ~~than two~~ additional groupings under each of the  
3 7 subparagraphs in paragraph "a" on the basis of  
3 8 underwriting criteria which are expected to produce  
3 9 substantial variation in the health care costs.  
3 10 DIVISION III  
3 11 WELLNESS INITIATIVES  
3 12 Sec. \_\_\_\_\_. Section 513B.4, Code 2007, is amended by  
3 13 adding the following new subsection:  
3 14 NEW SUBSECTION. 6. Notwithstanding subsection 4,  
3 15 a small employer carrier may offer to transfer a small  
3 16 employer into a different class of business with a  
3 17 lower index rate based upon claims experience,  
3 18 implementation of managed care or wellness programs,  
3 19 or health status improvement of the small employer  
3 20 since issue.  
3 21 Sec. \_\_\_\_\_. NEW SECTION. 513B.4B SMALL EMPLOYER  
3 22 INCENTIVES == SUSPENSION OR MODIFICATION OF PREMIUM  
3 23 RATE RESTRICTIONS.  
3 24 1. In order to encourage voluntary participation  
3 25 in wellness or disease management programs, a small  
3 26 employer carrier may offer premium credits or  
3 27 discounts to a small employer for the benefit of  
3 28 eligible employees of that small employer who  
3 29 participate in such a program. An employee shall not  
3 30 be penalized in any way for not participating in such  
3 31 a program.  
3 32 2. The commissioner shall adopt, by rule or order,  
3 33 provisions allowing suspension or modification of  
3 34 premium rate restrictions to enable a small employer  
3 35 carrier to provide premium credits or discounts to a  
3 36 small employer based on measurable reductions in costs  
3 37 of that small employer, including but not limited to  
3 38 tobacco use cessation, participation in established  
3 39 wellness or disease management programs, and reduced  
3 40 administrative or distribution costs.  
3 41 DIVISION IV  
3 42 EFFECTIVE DATE>  
3 43 #3. Title page, line 1, by inserting after the  
3 44 word <to> the following: <conditions of employment  
3 45 including>.  
3 46 #4. Title page, line 1, by inserting after the  
3 47 word <requirements> the following: <, association  
3 48 group health care plans, wellness initiatives,>.  
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3 50  
4 1  
4 2 KAUFMANN of Cedar  
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| 4 | 6  | STRUYK of Pottawattamie     |
| 4 | 7  |                             |
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| 4 | 9  |                             |
| 4 | 10 | VAN FOSSEN of Scott         |
| 4 | 11 |                             |
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| 4 | 13 |                             |
| 4 | 14 | FORRISTALL of Pottawattamie |
| 4 | 15 |                             |
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| 4 | 17 |                             |
| 4 | 18 | MAY of Dickinson            |
| 4 | 19 |                             |
| 4 | 20 |                             |
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| 4 | 22 | UPMEYER of Hancock          |
| 4 | 23 |                             |
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| 4 | 26 | PAULSEN of Linn             |
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| 4 | 30 | ALONS of Sioux              |
| 4 | 31 |                             |
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| 4 | 34 | ANDERSON of Page            |
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| 4 | 38 | ARNOLD of Lucas             |
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| 4 | 42 | BAUDLER of Adair            |
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| 4 | 46 | BOAL of Polk                |
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| 4 | 50 | CHAMBERS of O'Brien         |
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| 5 | 4  | CLUTE of Polk               |
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| 5 | 8  | DE BOEF of Keokuk           |
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| 5 | 12 | DEYOE of Story              |
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| 5 | 16 | DOLECHECK of Ringgold       |
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| 5 | 20 | DRAKE of Pottawattamie      |
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| 5 | 24 | GIPP of Winneshiek          |
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| 5 | 28 | GRANZOW of Hardin           |
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| 5 | 32 | GRASSLEY of Butler          |
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| 5 | 36 | GREINER of Washington       |

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| 5 | 40 | HUSEMAN of Cherokee        |
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| 5 | 44 | JACOBS of Polk             |
| 5 | 45 |                            |
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| 5 | 48 | HOFFMAN of Crawford        |
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| 6 | 1  |                            |
| 6 | 2  | LUKAN of Dubuque           |
| 6 | 3  |                            |
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| 6 | 6  | L. MILLER of Scott         |
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| 6 | 10 | S. OLSON of Clinton        |
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| 6 | 14 | RAECKER of Polk            |
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| 6 | 18 | RANTS of Woodbury          |
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| 6 | 22 | RASMUSSEN of Buchanan      |
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| 6 | 26 | RAYHONS of Hancock         |
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| 6 | 30 | ROBERTS of Carroll         |
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| 6 | 34 | SANDS of Louisa            |
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| 6 | 38 | SCHICKEL of Cerro Gordo    |
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| 6 | 42 | SODERBERG of Plymouth      |
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| 6 | 46 | TJEPKES of Webster         |
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| 6 | 50 | TOMENGA of Polk            |
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| 7 | 4  | TYMESON of Madison         |
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| 7 | 8  | VAN ENGELENHOVEN of Marion |
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| 7 | 12 | WATTS of Dallas            |
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| 7 | 16 | WIENCEK of Black Hawk      |
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7 20 WINDSCHITL of Harrison  
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7 24 WORTHAN of Buena Vista  
7 25 HF 1.702 82  
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